

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other				Local Unit Name Monitor Twp. Downtown Develop. Authority		County Bay	
Fiscal Year End December 31, 2005		Opinion Date February 16, 2006		Date Audit Report Submitted to State May 9, 2006			

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

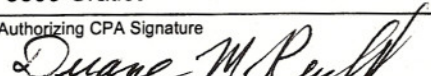
YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☒ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:		Enclosed	Not Required (enter a brief justification)	
Financial Statements		<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations		<input type="checkbox"/>	No comments or recommendations were made	
Other (Describe)		<input type="checkbox"/>	Only financial statements and related audit reports were prepared	
Certified Public Accountant (Firm Name) Andrews Hooper & Pavlik P.L.C.		Telephone Number 989-497-5300		
Street Address 5300 Gratiot		City Saginaw	State MI	Zip 48638
Authorizing CPA Signature 		Printed Name Duane M. Reyhl		License Number 1101013394

Monitor Township Downtown
Development Authority

Audited Financial Statements

Year ended December 31, 2005

Monitor Township Downtown
Development Authority

Audited Financial Statements

Year ended December 31, 2005

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Report of Independent Auditors

Members of the Board
Monitor Township Downtown
Development Authority
Bay County, Michigan

We have audited the accompanying financial statements of the governmental activities and the major fund of Monitor Township Downtown Development Authority, Bay County, Michigan, a component unit of Monitor Township, Bay County, Michigan, as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of Monitor Township Downtown Development Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of Monitor Township Downtown Development Authority, Bay County, Michigan, as of December 31, 2005, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Monitor Township Downtown Development Authority has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is required to supplement, although not required to be part of, the financial statements.

Andrews Hooper & Pavlik P.L.C.

Bay City, Michigan
February 16, 2006

Monitor Township Downtown Development Authority

Statement of Net Assets

December 31, 2005

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 403,683
Taxes receivable	131,809
Capital assets	510,622
Total assets	<u>1,046,114</u>
Liabilities	
Accounts payable	60,434
Deferred revenue	131,809
Noncurrent liabilities:	
Development agreements due within one year	8,268
Development agreements due in more than one year	2,900
Total liabilities	<u>203,411</u>
Net assets	
Investment in capital assets	510,622
Unrestricted	332,081
Total net assets	<u><u>\$ 842,703</u></u>

See accompanying notes.

Monitor Township Downtown Development Authority

Statement of Activities

Year ended December 31, 2005

Functions	Expenses	Program Revenues	Governmental Activities
			Net (Expense) Revenue and Change in Net Assets
Primary government			
Governmental activities:			
General government	\$ 125,688	\$ -	\$ (125,688)
Total government activities	125,688	-	(125,688)
General revenues			
Property taxes from local sources			181,661
Gain on sale of land			70,946
Interest			7,635
Total general revenues			260,242
Change in net assets			134,554
Net assets at beginning of year			708,149
Net assets at end of year			\$ 842,703

See accompanying notes.

Monitor Township Downtown Development Authority

Balance Sheet - Governmental Fund

December 31, 2005

	Special Revenue Fund
Assets	
Cash and cash equivalents	\$ 403,683
Taxes receivable	131,809
Total assets	<u>\$ 535,492</u>
Liabilities	
Accounts payable	\$ 60,434
Deferred revenue	131,809
Total liabilities	<u>192,243</u>
Fund balance	
Unreserved	<u>343,249</u>
Total fund balance	<u>343,249</u>
Total liabilities and fund balance	<u>\$ 535,492</u>

See accompanying notes.

Monitor Township Downtown Development Authority

Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets

December 31, 2005

Total Governmental Fund Balance	\$ 343,249
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Amounts reported for governmental activities in the statement of net
assets are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the governmental funds:

Capital assets	510,622
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Long-term liabilities are not due and payable in the current period and
are not reported in governmental funds:

Development agreements	(11,168)
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Total net assets of governmental activities	<u><u>\$ 842,703</u></u>
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See accompanying notes.

Monitor Township Downtown Development Authority

Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Fund

Year ended December 31, 2005

	Special Revenue Fund
Revenues	
Property taxes from local sources	\$ 193,996
Interest	7,635
Total revenues	<u>201,631</u>
Expenditures	
Administration	51,288
Association fees	4,250
Auditing	6,800
Insurance	714
Legal fees - general	17,855
Maintenance	13,423
Miscellaneous	2,384
Owners association fees	10,003
Permit fees, site reviews, and selling expenses	200
Printing and office supplies	7,030
Property improvements	54,054
Property taxes	2,449
Public works - engineering	9,292
Debt service payments	15,052
Total general government expenditures	<u>194,794</u>
Excess of revenues over expenditures	6,837
Other financing sources	
Proceeds from sale of land	<u>225,788</u>
Excess of revenues and other financing sources over expenditures	232,625
Fund balance at beginning of year	110,624
Fund balance at end of year	<u><u>\$ 343,249</u></u>

See accompanying notes.

Monitor Township Downtown Development Authority

Reconciliation of the Statement of Revenues, Expenditures and
Change in Fund Balance of Governmental Fund to the Statement of Activities

Year ended December 31, 2005

Net Change in Fund Balance - Total Governmental Fund	\$ 232,625
Amounts reported for governmental activities in the statement of activities are different because:	
Revenues reported in the governmental fund are not reported as revenues in the statement of activities because they were reported as revenues in the prior year.	(12,335)
The proceeds from the sale of land are reported as revenue in the governmental funds but only the net gain is recorded in the statement of activities.	(154,842)
Governmental funds report capital outlays as expenditures. In the statement of activities, these costs are allocated over their estimated useful lives as depreciation (if subject to depreciation).	54,054
Governmental funds report debt service principal payments as expenditures. In the statement of activities, these amounts are not expensed.	<u>15,052</u>
Net Change in Net Assets	<u><u>\$ 134,554</u></u>

See accompanying notes.

Monitor Township Downtown Development Authority

Notes to Financial Statements

December 31, 2005

1. Summary of Significant Accounting Policies

Introduction

The Monitor Township Downtown Development Authority (DDA) complies with accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The DDA's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* includes the preparation of a Management's Discussion and Analysis (MDA). The DDA has omitted the MDA that accounting principles generally accepted in the United States of America have determined is required to supplement, although not required to be part of, the financial statements.

Financial Reporting Entity

The DDA was established pursuant to the Downtown Development Authority Act (Public Act 197 of 1975), as amended. An ordinance was adopted, effective March 25, 1989, which created the DDA and further designated the boundaries of the district within Monitor Township, Bay County, Michigan. The DDA operates under the directorship of a board consisting of nine members appointed by the Monitor Township Board. The annual budget of the DDA is approved by the Monitor Township Board. The DDA cannot levy taxes, capture taxes, or issue debt without the approval of the Monitor Township Board. The DDA is a discretely presented component unit of Monitor Township and is included in the Monitor Township audit report as such. The DDA was created to halt property value deterioration and the causes thereof, to increase property tax valuation, and to promote economic growth within the development district.

Government-wide Financial Statements

The basic financial statements of the DDA include both government-wide (reporting the DDA as a whole) and fund financial statements (reporting the DDA's major fund). The government-wide and fund financial statements categorize primary activities as governmental activities. The government-wide financial statements consist only of governmental activities. Governmental activities consist solely of the DDA's one special revenue fund, which is its operating fund. This is also the DDA's only major fund.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Government-wide Financial Statements (continued)

In the government-wide statement of net assets, the governmental column is presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The net assets of the DDA are reported in two parts: invested in capital assets and unrestricted net assets. The DDA first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to those who purchase, use or directly benefit from goods, services or privileges provided by a given function; and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

This government-wide focus is more on the sustainability of the DDA as an entity and the change in the DDA's net assets resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the DDA are reported in individual funds in the fund financial statements. The DDA has one major fund, the Special Revenue Fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures.

The Special Revenue Fund is used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provision or administrative action. Revenues are derived primarily from tax increment revenue and the sale of land within the development district. The activity of the DDA was accounted for in a Special Revenue Fund to comply with the Department of Treasury's "Uniform Chart of Accounts for Counties and Local Units of Government in Michigan."

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Deferred revenue relates to taxes receivable as of December 31, 2005 which apply to the 2006 levy.

The governmental fund financial statements are presented using the current economic resources measurement focus and the modified accrual basis of accounting. Revenue is recorded as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collectible within the current period or within 60 days after year end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Assets, Liabilities, and Fund Equity

Deposits and Investments

The DDA considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

The DDA reports its cash, cash equivalents, and investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 40, *Deposit and Investment Risk Disclosures* (Statements). Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the DDA intends to hold the investment until maturity. These statements also address common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

As an element of interest rate risk, the Statements require certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified are also disclosed. The DDA had no investments at December 31, 2005.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Fund Equity (continued)

Deposits and Investments (continued)

State statutes authorize the DDA to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union that is covered by federal deposit insurance; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The DDA is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Taxes Receivable

Management of the DDA considers all taxes receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be expensed in the period of uncollectibility.

Capital Assets

Capital assets are reported at historical cost in the government-wide financial statements. Additions, improvements, and other major capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for routine repairs, maintenance, or supplies are expensed as incurred.

Long-Term Obligations

Long-term debt is reported as liabilities in the government-wide statement of net assets.

Fund Equity

Unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Fund Equity (continued)

Budgets and Budgetary Policies

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the Special Revenue Fund. All annual appropriations lapse at fiscal year end. The DDA does not maintain a formalized encumbrance accounting system.

All budgets are adopted at least 30 days prior to the beginning of the fiscal year and are approved by the Monitor Township Board. During the year, the DDA had no budget amendments.

2. Deposits

At December 31, 2005, the book value of the DDA's deposits are \$403,683, consisting primarily of interest bearing savings and checking accounts.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$100,000
Uninsured and uncollateralized	307,888
Total	<u>\$407,888</u>

Custodial credit risk is the risk that in the event of a financial institution failure, the DDA's deposits may not be returned to it. The DDA does not have a deposit policy for custodial credit risk. As of December 31, 2005, \$307,888 was exposed to custodial credit risk. The DDA has no investments and no deposits other than funds placed in savings and checking accounts with high quality financial institutions.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

3. Capital Assets

As of December 31, 2005, capital assets owned by the DDA included land located within the district. Also included in capital assets are costs incurred to construct a pumping station for a retention pond. Approximately 176.75 acres of land was purchased by the DDA on July 26, 1990. The DDA had no depreciable assets at December 31, 2005. A summary of capital assets activity is as follows:

	Balance January 1, 2005	Increases	Decreases	Balance December 31, 2005
Capital assets not being depreciated:				
Land	\$611,410	–	\$154,842	\$456,568
Construction-in-process	–	\$54,054	–	54,054
Total capital assets	<u>\$611,410</u>	<u>\$54,054</u>	<u>\$154,842</u>	<u>\$510,622</u>

4. Long-Term Debt

Development Agreement Payable – Quantum Composites, Inc.

On February 3, 1998, the DDA entered into a development agreement with Quantum Composites, Inc., under which the DDA agreed to reimburse Quantum Composites, Inc. up to \$25,000 for qualified costs related to handicapped accessibility. The terms of the agreement state that the DDA shall pay Quantum Composites, Inc. 75% of the allowable tax increment revenues generated from the site being improved. The DDA has paid \$24,635 of this debt. The unpaid principal balance was \$365 at December 31, 2005.

Development Agreement Payable – Metro Fabricating, Inc.

On September 21, 1998, the DDA entered into a development agreement with Metro Fabricating, Inc., under which the DDA agreed to reimburse Metro Fabricating, Inc. up to \$38,899 for qualified costs related to handicapped accessibility. The terms of the agreement state that the DDA shall pay Metro Fabricating, Inc. 75% of the allowable tax increment revenues generated from the site being improved. The obligation is subject to the full payment of the development agreement with G & S Investment Company. The DDA has paid \$30,423 of this debt. The unpaid principal balance was \$8,476 at December 31, 2005.

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

4. Long-Term Debt (continued)

Development Agreement Payable – O’Brien

On July 1, 1999, the DDA entered into a development agreement with John P. O’Brien and Ann M. O’Brien, under which the DDA agreed to reimburse these individuals up to \$10,000 for qualified costs related to handicapped accessibility. The terms of the agreement state that the DDA shall pay the O’Brien’s 75% of the allowable tax increment revenues generated from the site being improved. The DDA has paid \$7,673 of this debt. The unpaid principal balance was \$2,327 at December 31, 2005

Development Agreement Payable – Summary

The following is a summary of changes in development agreements payable for the year ended December 31, 2005:

	Balance January 1, 2005	Decrease	Balance December 31, 2005
Development agreements payable:			
Quantum Composites, Inc.	\$ 7,089	\$ (6,724)	\$ 365
Metro Fabricating, Inc.	14,053	(5,577)	8,476
O’Brien	5,078	(2,751)	2,327
Totals	<u>\$26,220</u>	<u>\$(15,052)</u>	<u>\$11,168</u>

There is no interest associated with the development agreements. The annual principal requirement through maturity for all development agreements outstanding at December 31, 2005 are as follows:

Fiscal Year Ending	Principal
2006	\$ 8,268
2007	2,900
Total	<u>\$11,168</u>

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

5. Tax Increment Finance Procedure

The tax increment finance procedure is outlined in Public Act 197 of 1975, as amended. It allows the DDA to receive a portion of the taxes created as a result of increased property values over a base year value on property located within the district. These property taxes are collected by the Monitor Township Treasurer who then pays the collected taxes to the Treasurer of the DDA. Taxes are levied and become an enforceable lien on property on July 1 and December 1 and payable on September 14 and February 28. The DDA recognizes the tax revenues when they are due and payable.

For 2005, the DDA collected 75% of the tax increment finances that they are eligible to receive. The other 25% is to be forwarded to the other taxing entities. The DDA Board determines the percentage to be received on annual basis based on the budget approved by the Monitor Township Board of Trustees.

For 2006, the DDA expects to collect 65% of the tax increment finances that they are eligible to receive. The other 35% is to be forwarded to the other taxing entities. The DDA Board determines the percentage to be received on an annual basis based on the budget approved by the Monitor Township Board of Trustees.

6. Risk Management

The risk of loss category to which the DDA is exposed and for which it has purchased insurance is for liability only. There have been no significant reductions in insurance coverage as compared to the previous year.

7. Excess of Expenditures Over Appropriations in Budgetary Funds

Public Act 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2005, the DDA incurred expenditures in certain budgetary items, which were in excess of the amounts appropriated, as follows:

Special Revenue Fund:	Total Appropriations	Amount of Expenditures	Budget Variance
Administration	\$48,000	\$51,288	\$ 3,288
Auditing	4,100	6,800	2,700
Legal fees - general	11,538	17,855	6,317
Maintenance	5,700	13,423	7,723
Property improvements	—	54,054	54,054
Public works - engineering	7,000	9,292	2,292
Debt service payments	14,863	15,052	189

Monitor Township Downtown Development Authority

Notes to Financial Statements (continued)

8. Related Party Transactions

The DDA had an agreement with the Bay County Growth Alliance, Inc., in which the Bay County Growth Alliance, Inc. provided administrative, marketing, and accounting services to the DDA. The DDA remitted \$20,000 to the Bay County Growth Alliance, Inc. for administrative services during the year ended December 31, 2005. This agreement was terminated during the year ended December 31, 2005.

In 2005, the DDA entered into an agreement with Monitor Township (Township), Bay County, Michigan in which the Township provides administrative services to the DDA. The Township is responsible for paying the DDA's sole employee wages and employee fringe benefits and withhold applicable payroll taxes. The agreement requires the DDA to reimburse the Township for the costs of the DDA's employee and supplies used, plus a 10% administrative fee. Under this arrangement, the DDA paid the Township approximately \$33,500 in 2005.

The DDA has a development agreement with Quantum Composites, Inc. and another agreement with John P. O'Brien and Ann M. O'Brien for reimbursement of qualified costs related to handicapped accessibility. The President of Quantum Composites and an O'Brien are board members of the DDA. See Note 5 for the details of these agreements.

The DDA is a member of the Valley Center Technology Park Owners Association (Association). The Association provides for maintenance and improvements related to Valley Center Technology Park assets owned or controlled by the Association. The DDA paid the Association approximately \$10,000 during the year ended December 31, 2005. The DDA contributed to the Association at a rate of approximately 35%, which is their approximate share of land ownership with the Association.

Required Supplemental Information

Monitor Township Downtown Development Authority
Special Revenue Fund - Budgetary Comparison Schedule
Year ended December 31, 2005

	Original	Final	Actual	Favorable (Unfavorable) Variance
Revenues				
Property taxes from local sources	\$ 141,993	\$ 141,993	\$ 193,996	\$ 52,003
Interest	1,800	1,800	7,635	5,835
Other	46,379	46,379	-	(46,379)
Total revenues	190,172	190,172	201,631	11,459
Expenditures				
Administration	48,000	48,000	51,288	(3,288)
Association fees	11,800	11,800	4,250	7,550
Auditing	4,100	4,100	6,800	(2,700)
Consulting fees	8,500	2,000	-	2,000
Insurance	1,800	1,800	714	1,086
Legal fees - general	11,538	11,538	17,855	(6,317)
Maintenance	5,700	5,700	13,423	(7,723)
Miscellaneous	2,800	2,800	2,384	416
Owners association fees	13,989	13,989	10,003	3,986
Permit fees, site reviews, and selling expenses	300	300	200	100
Printing and office supplies	3,000	9,500	7,030	2,470
Property improvements	-	-	54,054	(54,054)
Property taxes	2,470	2,470	2,449	21
Public works - engineering	7,000	7,000	9,292	(2,292)
Debt service payments	14,863	14,863	15,052	(189)
Development and TIF plan	5,000	5,000	-	5,000
Total general government expenditures	140,860	140,860	194,794	(53,934)
Excess of revenues over expenditures	49,312	49,312	6,837	(42,475)
Other financing sources				
Proceeds for the sale of land	75,000	75,000	225,788	150,788
Excess of revenues and other financing sources over expenditures	124,312	124,312	232,625	108,313
Fund balance at beginning of year	110,624	110,624	110,624	-
Fund balance at end of year	\$ 234,936	\$ 234,936	\$ 343,249	\$ 108,313

See accompanying notes.